

## Message Text

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15

ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 EB-11 FEA-02 AEC-11 AID-20

CEA-02 CIAE-00 CIEP-03 COME-00 DODE-00 FPC-01 H-03

INR-11 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 PA-04

USIA-15 PRS-01 NEA-14 DRC-01 /211 W

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R 301535Z JUL 74

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 5272

INFO AMEMBASSY LONDON

USMISSION OECD PARIS

C O N F I D E N T I A L LAGOS 7044

E.O. 11652: GDS

TAGS: ENRG, NI

SUBJECT: NIGERIAN GOVERNMENT MAY AT LAST BE SELLING SOME OIL

REF: LAGOS 6205, 6753, 6868

1. EMBASSY HAS HAD NO DIRECT CONTACT WITH CRUDE OIL BUYERS IN RECENT WEEKS (IN MARKED CONTRAST TO HEIGHT OF ENERGY CRISIS WHEN THEY WERE ENCOUNTERED ALMOST DAILY), BUT THERE ARE INDICATIONS THAT SEVERAL BUYERS HAVE BEEN IN TOWN AND A NEWLY FORMED TEAM OF OFFICIALS FROM MINISTRY OF MINES AND POWER AND NIGERIAN NATIONAL OIL CORPORATION MAY BE ON VERGE OF CONCLUDING AT LEAST SOME PURCHASE CONTRACTS FOR LIFTINGS TO BEGIN IN AUGUST.

2. ACCORDING TO NIGERIAN SOURCE OF UNKNOWN RELIABILITY, THREE CONTRACTS HAVE BEEN AGREED IN PRINCIPLE, INCLUDING ONE WITH CITIES SERVICE FOR 50,000 BARRELS PER DAY AT VERY CLOSE TO \$12.50 PER BARREL, AND 2-3 MORE ARE BEING NEGOTIATED. SOURCE IS AWARE THAT \$12.50 IS PROBABLY MORE THAN SAME QUALITY OIL CURRENTLY BEING SOLD BY PRODUCING COMPANIES BRINGS, BUT HE BELIEVES COMPANIES LIKE CITIES SERVICE ARE WILLING PAY SMALL PREMIUM IN  
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ORDER ESTABLISH LONG-TERM RELATIONSHIP WITH NIGERIAN GOVERNMENT

IN ANTICIPATION THAT QUANTITIES AVAILABLE FROM MAJORS WILL  
RAPIDLY DECLINE.

3. ANOTHER SOURCE SAYS THAT THE NIGERIANS ARE ANXIOUS TO BEGIN  
NEW SALES IN AUGUST AND ALSO WANT LONG-TERM CONTRACTS OF  
2-3 YEARS. AMERICAN BUYERS, ON THE OTHER HAND, HAVE GENERALLY  
BEEN SEEKING OIL TO START IN JANUARY 1975 AND ARE WARY OF  
LONG-TERM COMMITMENTS.  
REINHARDT

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, SALES, PRICES  
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**Copy:** SINGLE  
**Draft Date:** 30 JUL 1974  
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**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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30 JUN 2005

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